

market value of \$100. Also assume that B's proportionate share of the adjusted basis of the partnership assets is \$120. Under the bill, section 743(b) will apply and require a \$20 decrease in the adjusted basis of the partnership assets with respect to B, so that B would recognize no gain or loss if the partnership immediately sold all of its assets for their fair market value.

Distribution of partnership property

The bill provides that the basis adjustments under section 734 are required in the case of a distribution with respect to which there is a substantial basis reduction. A substantial basis reduction means a downward adjustment to the partnership assets (had a section 754 election been in effect) greater than 10 percent of the adjusted basis of the assets.

Thus, for example, assume that A and B each contributed \$25 to a newly formed partnership and C contributed \$50 and that the partnership purchased LMN stock for \$30 and XYZ stock for \$70. Assume that the value of each stock declined to \$10. Assume LMN stock is distributed to C in liquidation of its partnership interest. As under present law, the basis of LMN stock in C's hands if \$50. C would recognize a loss of \$40 if the LMN stock were sold for \$10.

Under the bill, there is a substantial basis adjustment because the \$20 increase in the adjusted basis of asset 1 (sec. 734(b)(2)(B)) is greater than 10 percent of the adjusted basis of partnership assets of \$70. Thus, the partnership would be required to decrease the basis of XYZ stock (under section 734(b)(2)) by \$20 (the amount by which the basis LMN stock was increased), leaving a basis of \$50. If the XYZ stock were then sold by the partnership for \$10, A and B would each recognize a loss of \$20.

EFFECTIVE DATE

The provision applies to contributions, transfers, and distributions (as the case may be) after date of enactment.

RECESS

The SPEAKER pro tempore. There being no further requests for morning hour debates, pursuant to clause 12, rule I, the House will stand in recess until 10 a.m.

Accordingly (at 9 o'clock and 22 minutes a.m.) the House stood in recess until 10 a.m.

□ 1000

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. ISAKSON) at 10 a.m.

PRAYER

Rabbi Mitchell Wohlberg, Beth Tfiloh Congregation, Baltimore, Maryland, offered the following prayer:

I come from a tradition where Tuesdays are considered most propitious: weddings, moving to a new home, good things are to take place on Tuesday.

It goes all the way back to the first week of creation, where we note that, unlike other days of that first week, on the second day, on Monday, the Bible

does not tell us "and God saw that it was good," while on the next day, the first Tuesday, two times it says, "and God saw that it was good."

According to the Talmud, this is because on the second day of the week the waters were parted. That symbolizes the division. That is no good. On the first Tuesday, the third day of the week, the waters were brought together again, and that symbolizes unity, and that is doubly good.

In this spirit, we pray: Almighty God, may a unity of purpose bring together all the esteemed Members of the United States House of Representatives. Let all its Members realize that we can disagree without being disagreeable, that we can walk shoulder to shoulder without seeing eye to eye on every subject.

Together let us pray for the day which will witness the prophetic dream of a world in which none shall hurt, none shall destroy, for the Earth will be filled with the knowledge of Thee as the waters cover the sea.

And let us say Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Nevada (Mr. GIBBONS) come forward and lead the House in the Pledge of Allegiance.

Mr. GIBBONS led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

WELCOME TO RABBI MITCHELL WOHLBERG

(Mr. CARDIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARDIN. Mr. Speaker, I feel privileged to know Rabbi Mitchell Wohlberg. Since 1978, he has been the spiritual leader of Beth Tfiloh congregation, the largest Orthodox Jewish congregation in Baltimore, the congregation of which I am a member.

Let me tell the Members a little bit about Rabbi Wohlberg. I have known Rabbi Wohlberg for many years and have often sought his guidance and counsel. He is a spellbinding speaker, and is famous for his thoughtful sermons that are able to clarify complicated issues.

Rabbi Wohlberg is also known for his involvement in the Jewish communal

life. He has been a board member at The Associated Jewish Community Federation of Baltimore; a member of the executive committee of the Rabbinical Council of America, and is a recipient of the humanitarian award for the Louis Z. Brandeis District of the ZOA.

He comes from a committed and unique family where his father (of blessed memory) was and his two brothers were and also are Rabbis, all ordained by the Yeshiva University. Rabbi Wohlberg is a driving force behind the Beth Tfiloh School, an outstanding Jewish day school in Baltimore.

I know all my colleagues will join me in thanking Rabbi Wohlberg for offering this morning's opening prayer.

PRIVATE CALENDAR

The SPEAKER pro tempore. This is the day for the call of the Private Calendar. The Clerk will call the first bill on the Private Calendar.

NANCY B. WILSON

The Clerk called the bill (H.R. 392) for the relief of Nancy B. Wilson.

Mr. COBLE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

RITA MIREMBE REVELL

The Clerk called the Senate bill (S. 560) for the relief of Rita Mirembe Revell (a.k.a. Margaret Rita Mirembe).

There being no objection, the Clerk read the Senate bill, as follows:

S. 560

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PERMANENT RESIDENT STATUS FOR RITA MIREMBE REVELL (A.K.A. MARGARET RITA MIREMBE).

(a) IN GENERAL.—Notwithstanding any other provision of law, for the purposes of the Immigration and Nationality Act (8 U.S.C. 1101 et seq.), Rita Mirembe Revell (a.k.a. Margaret Rita Mirembe) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of enactment of this Act, upon payment of the required visa fees not later than 2 years after the date of enactment of this Act.

(b) REDUCTION OF IMMIGRANT VISA NUMBERS.—Upon the granting of permanent residence to Rita Mirembe Revell (a.k.a. Margaret Rita Mirembe), the Secretary of State shall instruct the proper officer to reduce by the appropriate number, during the current or next following fiscal year, the total number of immigrant visas that are made available to natives of the country of the alien's birth under section 203(a) of the Immigration and Nationality Act (8 U.S.C. 1153(a)) or, if applicable, the total number of immigrant